

Ranbaxy Ireland Limited

Directors' report and financial statements

Period ended 31 March 2014

Registered number 75951

Ranbaxy Ireland Limited

Directors' report and financial statements

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Ranbaxy Ireland Limited

Directors and other information

Directors
P. Chauhan (Irish) (resigned 11 December 2013)
A. Malhotra (India)
V. Sattanathan (Irish)
N. Sharma (India) (appointed 29 January 2013)

Secretary
S. Moloney

Registered office
Spafield
Cork Road
Cashel
Co. Tipperary

Auditor
KPMG
Chartered Accountants
90 South Mall
Cork

Bankers
Ulster Bank Limited
49 Liberty Square
Thurles
Co. Tipperary

Allied Irish Bank
66 Main Street
Cashel
Co. Tipperary

Ranbaxy Ireland Limited

Directors report

The directors present their annual report and the audited financial statements for the 15 month period ended 31 March 2014.

Principal activities, business review and future developments

The principal activity of the company is the manufacture, processing and selling of pharmaceutical products. One of the largest sales markets for the company is Poland and a Ranbaxy group company performs promotion and marketing activities on behalf of the company in this region. The costs of these activities are recharged to the company.

The directors are satisfied with the performance of the company during the period.

Principal risks and uncertainties

The directors consider that the following are the principal risk factors that could materially and adversely affect the company, which are similar risks to those of the parent company Ranbaxy Laboratories Limited.

Economic risk:

The risk of unrealistic increases in wages or infrastructure cost impacting adversely on competitiveness of the group and its principal customers.

These risks are managed by innovative product sourcing and strict control of costs.

Competition risk:

The directors of the company and subsidiaries manage competition risk through close attention to customer service levels and product innovation.

Financial risk:

Each of the companies within the group has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage credit, liquidity and other financial risk.

People in our business:

The continued success of the group has been achieved by the people working in it. Each of the subsidiaries is managed separately but reflects the group philosophy and ethos. There are many long serving members of staff and the relatively low turnover of personnel reflects the general policy of providing good terms and conditions of employment while dealing with staff as well as the other stakeholders in the business, in a fair and consistent manner. Their continued loyalty and hard work is much appreciated.

Results and dividends

The profit for the period after taxation amounted to €5,775,716/INR 458,390,159 (2012: €1,993,514/ INR 136,542,055).

The directors declared, approved and paid interim dividends, in respect of the period ending 31 March 2014, on 20 February 2013, of €2,000,000/INR 158,730,159 and on 7 March 2014, of €2,000,000/ /INR 158,730,159.

Ranbaxy Ireland Limited

Directors report *(continued)*

Directors and secretary and their interests

In accordance with the company's Articles of Association the directors are not required to retire by rotation.

On 11 December 2013, Pradeep Chauhan resigned as a director of the company. On 29 January 2013, Neeraj Sharma was appointed as a director.

The directors and secretary who held office at 31 March 2014, as set out on page 1, had no interests in the shares of the company or other group companies.

Post balance sheet events

There have been no significant events affecting the company since 31 March 2014.

Accounting records

The directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990 with regard to books of account by employing personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account are maintained at Spafield, Cork Road, Cashel, Co. Tipperary.

Auditor

In accordance with Section 160 (2) of the Companies Act, 1963, the auditor, KPMG, Chartered Accountants, will continue in office.

On behalf of the board

Vickraman
Director

Neeraj Sharma
Director

17th April 2014

Ranbaxy Ireland Limited

Statement of directors responsibilities

The directors are responsible for preparing the Directors' Report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in Ireland, comprising applicable law and the accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of its profit or loss for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2013. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Acts, 1963 to 2013.

On behalf of the board

Vickraman
Director

Neeraj Sharma
Director

17th April 2014

Independent auditor's report to the members of Ranbaxy Ireland Limited

We have audited the financial statements (“financial statements”) of Ranbaxy Ireland Limited for the 15 month period ended 31 March 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company’s members, as a body, in accordance with section 193 of the Companies Act 1990. Our audit work has been undertaken so that we might state to the company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of directors’ responsibilities set out on page 4 the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Ethical Standards for Auditors issued by the Auditing Practices Board.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company’s affairs as at 31 March 2014 and of its profit for the period then ended; and
- the financial statements have been properly prepared in accordance with the Companies Acts 1963 to 2013.

Independent auditor's report to the members of Ranbaxy Ireland Limited *(continued)*

Matters on which we are required to report by the Companies Acts 1963 to 2013

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

The financial statements are in agreement with the books of account and, in our opinion, proper books of account have been kept by the company.

In our opinion the information given in the directors' report is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 March 2014 a financial situation which under Section 40(1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2013 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

Conall O' Halloran
for and on behalf of
KPMG
Chartered Accountant, Statutory Audit Firm
Date: 9th May 2014
90 South Mall
Cork

Ranbaxy Ireland Limited

Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention, as modified to include the revaluation of land and buildings, and comply with financial reporting standards of the Financial Reporting Council, as promulgated by The Institute of Chartered Accountants in Ireland.

Turnover

Turnover represents amounts invoiced excluding value added tax in respect of the sale of goods and supply of services which have been carried out during the year. Turnover for sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Transfer occurs when the product is received at the customer's warehouse. Turnover for provision of services is recognised when services rendered to customers are completed and the right to reserve payment is established.

Intangible fixed assets

Licences purchased by the company are recorded at cost and are amortised to nil. Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Product licences	5 - 10 Years
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Intangible assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Tangible fixed assets and depreciation

Plant and machinery are stated at cost less accumulated depreciation.

Land and buildings are carried at revalued amount less accumulated depreciation. Formal valuations are undertaken by independent professional valuers at least every five years. Interim valuations are undertaken as required to ensure that there is no material difference between carrying values and current values.

Revaluation gains are recognised in the revaluation reserve except to the extent that they reverse revaluation losses that were previously charged to the profit and loss account in which case they are charged to the profit and loss account. Revaluation losses which represent a clear consumption of economic benefit inherent in the asset are recognised in the profit and loss account.

Ranbaxy Ireland Limited

Statement of accounting policies *(continued)*

Tangible fixed assets and depreciation *(continued)*

Other revaluation losses are recognised:

- in the statement of total recognised gains and losses until the carrying amount reaches its depreciated historical cost; and
- thereafter, in the profit and loss account unless it can be demonstrated that the recoverable amount of the asset is greater than its revalued amount, in which case the loss is recognised in the statement of total recognised gains and losses to the extent that the recoverable amount of the asset is greater than its revalued amount.

The charge for depreciation is calculated to write down the cost of tangible fixed assets to their estimated residual values by equal annual instalments over their expected useful lives as follows:

Buildings	-	50 Years Straight Line
Plant and machinery	-	15 Years Straight Line

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost and net realisable value. In the case of finished goods and work in progress, cost is defined as the aggregate cost of raw material, direct labour and the attributable proportion of direct production overheads.

Provision is made for slow moving, obsolete or defective stock where appropriate.

Pensions

The company operates a defined contribution scheme. Pension contributions for employees are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Ranbaxy Ireland Limited

Statement of accounting policies *(continued)*

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions or at a contracted rate. The resulting monetary assets and liabilities are translated at the balance sheet rate or the contracted rate and the exchange differences are dealt with in the profit and loss account.

Government grants

Government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

Ranbaxy Ireland Limited

Profit and loss account

for the period ended 31 March 2014

	<i>Notes</i>	15 month period ended 31 March 2014 €	Year ended 31 December 2012 €
Turnover - continuing operations	<i>1</i>	60,377,410	36,708,991
Cost of sales		(37,849,527)	(22,609,549)
Gross profit		<u>22,527,883</u>	<u>14,099,442</u>
Administration expenses		(15,982,052)	(11,864,890)
Operating profit - continuing operations	<i>2</i>	<u>6,545,831</u>	<u>2,234,552</u>
Interest receivable and similar income	<i>3</i>	66,257	52,217
Profit on ordinary activities before taxation		<u>6,612,088</u>	<u>2,286,769</u>
Tax on profit on ordinary activities	<i>5</i>	(836,372)	(293,255)
Profit for the financial period	<i>17</i>	<u><u>5,775,716</u></u>	<u><u>1,993,514</u></u>

The company had no gains or losses in the financial period or the preceding financial year other than those shown in the profit and loss account.

On behalf of the board

Vickraman
Director

Neeraj Sharma
Director

Ranbaxy Ireland Limited

Profit and loss account

for the period ended 31 March 2014

	<i>Notes</i>	15 month period ended 31 March 2014 INR (Mn)	Year ended 31 December 2012 INR (Mn)
Turnover - continuing operations	<i>1</i>	5,109.136	2,514.314
Cost of sales		(3,202.827)	(1,548.599)
Gross profit		1,906.309	965.715
Administration expenses		(1,352.401)	(812.664)
Operating profit - continuing operations	<i>2</i>	553.908	153.052
Interest receivable and similar income	<i>3</i>	5.607	3.577
Profit on ordinary activities before taxation		559.515	156.628
Tax on profit on ordinary activities	<i>5</i>	(70.774)	(20.086)
Profit for the financial period	<i>17</i>	488.741	136.542

The company had no gains or losses in the financial period or the preceding financial year other than those shown in the profit and loss account.

On behalf of the board

Vickraman
Director

Neeraj Sharma
Director

Ranbaxy Ireland Limited

Balance sheet as at 31 March 2014

	<i>Notes</i>	31 March 2014 €	31 December 2012 €
Fixed assets			
Tangible assets	7	7,862,063	7,828,044
		<u>7,862,063</u>	<u>7,828,044</u>
Current assets			
Stocks	8	6,152,571	3,931,256
Debtors	9	9,543,478	9,821,015
Cash at bank and in hand		2,134,424	4,802,033
		<u>17,830,473</u>	<u>18,554,304</u>
Creditors: amounts falling due within one year	10	(7,795,982)	(10,228,197)
Net current assets		<u>10,034,491</u>	<u>8,326,107</u>
Total assets less current liabilities		17,896,554	16,154,151
Creditors: amounts falling due after more than one year	11	(382,016)	(405,776)
Provision for liabilities	14	(293,232)	(302,785)
Net assets		<u>17,221,306</u>	<u>15,445,590</u>
Capital and reserves			
Called up share capital	15	7,111,465	7,111,465
Revaluation reserve	16	1,294,853	1,294,853
Capital redemption reserve	16	54,964	54,964
Profit and loss account	16	8,760,024	6,984,308
Shareholders' funds	17	<u>17,221,306</u>	<u>15,445,590</u>

On behalf of the board

Vickraman
Director

Neeraj Sharma
Director

Ranbaxy Ireland Limited

Balance sheet as at 31 March 2014

	<i>Notes</i>	31 March 2014 INR (Mn)	31 December 2012 INR (Mn)
Fixed assets			
Tangible assets	7	645.947	567.250
		<u>645.947</u>	<u>567.250</u>
Current assets			
Stocks	8	505.495	284.874
Debtors	9	784.092	711.668
Cash at bank and in hand		175.364	347.973
		<u>1,464,951</u>	<u>1,344.515</u>
Creditors: amounts falling due within one year	10	(640.518)	(741.174)
Net current assets		<u>824.433</u>	<u>603.341</u>
Total assets less current liabilities		1,470,380	1,170.591
Creditors: amounts falling due after more than one year	11	(31.385)	(29.404)
Provision for liabilities	14	(24.092)	(21.941)
Net assets		<u>1,414,903</u>	<u>1,119.246</u>
Capital and reserves			
Called up share capital	15	584.278	515.324
Revaluation reserve	16	106.385	93.830
Capital redemption reserve	16	4.516	3.983
Profit and loss account	16	719.724	506.109
Shareholders' funds	17	<u>1,414,903</u>	<u>1,119.246</u>

On behalf of the board

Vickraman
Director

Neeraj Sharma
Director

Ranbaxy Ireland Limited

Cash flow statement

for the period ended 31 March 2014

	<i>Note</i>	15 month period ended 31 March 2014 €	Year ended 31 December 2012 €
Net cash inflow from operating activities	22	2,661,640	3,901,170
Servicing of finance and returns on investments			
Interest and similar income received		66,257	52,217
Taxation			
Corporation tax paid		(674,905)	(156,875)
Capital expenditure			
Payments to acquire tangible fixed assets		(754,662)	(1,559,608)
Receipts from sales of tangible fixed assets		35,944	-
Dividends paid		(4,000,000)	-
		<hr/>	<hr/>
Net (decrease) /increase in cash		(2,665,726)	2,236,904
		<hr/> <hr/>	<hr/> <hr/>
Reconciliation of net cash flow to movement in net funds for the period ended 31 March 2014			
(Decrease)/ increase in cash	23	(2,667,609)	2,238,787
Changes in net debt	23	1,883	(1,883)
		<hr/>	<hr/>
Net (decrease)/ increase in cash	23	(2,665,726)	2,236,904
Net cash at beginning of year	23	4,800,150	2,563,246
		<hr/>	<hr/>
Net funds at end of the period	23	2,134,424	4,800,150
		<hr/> <hr/>	<hr/> <hr/>

On behalf of the board

Vickraman
Director

Neeraj Sharma
Director

Ranbaxy Ireland Limited

Cash flow statement

for the period ended 31 March 2014

		15 month period ended 31 March 2014	Year ended 31 December 2012
	<i>Note</i>	INR (Mn)	INR (Mn)
Net cash inflow from operating activities	22	218.680	282.693
Servicing of finance and returns on investments			
Interest and similar income received		5.444	3.784
Taxation			
Corporation tax paid		(55.450)	(11.368)
Capital expenditure			
Payments to acquire tangible fixed assets		(62.003)	(113.015)
Receipts from sales of tangible fixed assets		2.953	-
Dividends paid		(328.640)	-
		<hr/>	<hr/>
Net (decrease) /increase in cash		(219.016)	162.094
		<hr/> <hr/>	<hr/> <hr/>
Reconciliation of net cash flow to movement in net funds for the period ended 31 March 2014			
(Decrease)/ increase in cash	23	(219.171)	162.231
Changes in net debt	23	0.155	(0.136)
		<hr/>	<hr/>
Net (decrease)/ increase in cash	23	(219.016)	162.094
Net cash at beginning of year	23	394.380	185.742
		<hr/>	<hr/>
Net funds at end of the period	23	175.364	347.837
		<hr/> <hr/>	<hr/> <hr/>

On behalf of the board

Vickraman
Director

Neeraj Sharma
Director

Ranbaxy Ireland Limited

Notes

forming part of the financial statements

1 Turnover

An analysis of turnover by class of business and geographic market has not been supplied as the directors believe this to be prejudicial to the interests of the company.

2 Statutory and other information

	Period ended 31 March 2014 €	Year ended 31 December 2013 €
<i>Operating profit is stated:</i>		
<i>after crediting:</i>		
Loss on disposal of fixed assets	18,068	1,471
<i>after charging:</i>		
Loss/(gain) on foreign exchange	152,334	(225,704)
Depreciation of tangible assets	746,304	519,388
Auditor's remuneration:		
- audit of individual accounts	30,000	36,000
- other assurance services	5,000	-

3 Interest received and other similar income

	Period ended 31 March 2014 €	Year ended 31 December 2013 €
Bank interest receivable	66,257	52,217

Ranbaxy Ireland Limited

Notes

forming part of the financial statements

1 Turnover

An analysis of turnover by class of business and geographic market has not been supplied as the directors believe this to be prejudicial to the interests of the company.

2 Statutory and other information

	Period ended 31 March 2014 INR (Mn)	Year ended 31 December 2013 INR (Mn)
<i>Operating profit is stated:</i>		
<i>after crediting:</i>		
Loss on disposal of fixed assets	1.601	0.101
<i>after charging:</i>		
Loss/(gain) on foreign exchange	12.891	(15.459)
Depreciation of tangible assets	62.152	35.575
Auditor's remuneration:		
- audit of individual accounts	2.539	2.466
- other assurance services	0.423	-

3 Interest received and other similar income

	Period ended 31 March 2014 INR (Mn)	Year ended 31 December 2013 INR (Mn)
Bank interest receivable	5.607	3.577

Ranbaxy Ireland Limited

Notes *(continued)*

4 Staff numbers and costs

The average number of persons employed by the company (including executive directors) during the period, analysed by category, was as follows:

	Number of employees	
	Period ended	Year ended
	31 March	31 December
	2014	2013
Administration	17	15
Laboratory technicians	22	19
Production	60	42
Management	9	9
	<hr/>	<hr/>
	108	85
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	Period ended	Year ended
	31 March	31 December
	2014	2013
	€	€
Wages and salaries	4,575,115	3,154,708
Social welfare costs	486,906	340,297
Pension costs (note 12)	49,598	33,985
	<hr/>	<hr/>
	5,111,619	3,528,990
	<hr/>	<hr/>

Ranbaxy Ireland Limited

Notes *(continued)*

4 Staff numbers and costs

The average number of persons employed by the company (including executive directors) during the period, analysed by category, was as follows:

	Number of employees	
	Period ended	Year ended
	31 March	31 December
	2014	2013
Administration	17	15
Laboratory technicians	22	19
Production	60	42
Management	9	9
	<u>108</u>	<u>85</u>
	<u><u>108</u></u>	<u><u>85</u></u>

The aggregate payroll costs of these persons were as follows:

	Period ended	Year ended
	31 March	31 December
	2014	2013
	INR (Mn)	INR (Mn)
Wages and salaries	387.146	216.076
Social welfare costs	41.202	23.308
Pension costs (note 12)	4.197	2.328
	<u>432.545</u>	<u>241.712</u>
	<u><u>432.545</u></u>	<u><u>241.712</u></u>

Ranbaxy Ireland Limited

Notes (continued)

5	Tax on profit on ordinary activities	Period ended 31 March 2014 €	Year ended 31 December 2013 €
	<i>Current tax</i>		
	Irish corporation tax on the profit for the period on ordinary activities	845,925	270,551
	Adjustment relating to an earlier period	-	-
	Total current tax	<u>845,925</u>	<u>270,551</u>
	<i>Deferred tax (see note 14)</i>		
	Origination/reversal of timing differences	(9,553)	22,704
	Tax on profit on ordinary activities	<u>836,372</u>	<u>293,255</u>
	<i>Current tax reconciliation</i>		
	Profit on ordinary activities before tax	<u>6,612,088</u>	<u>2,286,769</u>
	Current tax at 12.50% (2012 - 12.50%)	826,511	285,846
	<i>Effects of:</i>		
	Difference between capital allowances and depreciation	11,843	(19,626)
	Additional tax arising on profits chargeable at 25%	8,282	6,527
	Amortisation (deductible)/not deductible for tax purposes	(2,970)	(2,377)
	Expenses not deductible for tax purposes	2,259	181
	Total current tax charge	<u>845,925</u>	<u>270,551</u>
6	Dividends	Period ended 31 March 2014 €	Year ended 31 December 2013 €
	Dividends paid on Ordinary Shares	<u>4,000,000</u>	<u>-</u>

Ranbaxy Ireland Limited

Notes (continued)

5	Tax on profit on ordinary activities	Period ended 31 March 2014 INR (Mn)	Year ended 31 December 2013 INR (Mn)
	<i>Current tax</i>		
	Irish corporation tax on the profit for the period on ordinary activities	71.582	18.530
	Adjustment relating to an earlier period	-	-
	Total current tax	<u>71.582</u>	<u>18.530</u>
	<i>Deferred tax (see note 14)</i>		
	Origination/reversal of timing differences	(0.808)	1.55
	Tax on profit on ordinary activities	<u>70.774</u>	<u>20.086</u>
	<i>Current tax reconciliation</i>		
	Profit on ordinary activities before tax	<u>559.515</u>	<u>156.628</u>
	Current tax at 12.50% (2012 - 12.50%)	69.939	19.578
	<i>Effects of:</i>		
	Difference between capital allowances and depreciation	1.002	(1.344)
	Additional tax arising on profits chargeable at 25%	0.701	0.447
	Amortisation (deductible)/not deductible for tax purposes	(0.251)	(0.162)
	Expenses not deductible for tax purposes	0.191	0.124
	Total current tax charge	<u>71.582</u>	<u>18.531</u>
6	Dividends	Period ended 31 March 2014 INR (Mn)	Year ended 31 December 2013 INR (Mn)
	Dividends paid on Ordinary Shares	<u>328.640</u>	<u>-</u>

Ranbaxy Ireland Limited

Notes (continued)

7 Tangible fixed assets	Freehold land and buildings €	Plant and machinery €	CIP €	Total €
<i>Cost or valuation</i>				
At beginning of period	3,864,457	9,632,700	253,623	13,750,780
Additions in period	-	735,994	98,341	834,335
Disposals in period	-	(1,006,360)	-	(1,006,360)
Transfers	-	253,623	(253,623)	-
At end of period	3,864,457	9,615,957	98,341	13,578,755
<i>Depreciation</i>				
At beginning of period	-	5,922,736	-	5,922,736
Charge for period	86,156	660,148	-	746,304
Eliminated on disposals	-	(952,348)	-	(952,348)
At end of period	86,156	5,630,536	-	5,716,692
<i>Net book value</i>				
At 31 March 2014	3,778,301	3,985,421	98,341	7,862,063
At 31 December 2012	3,864,457	3,709,964	253,623	7,828,044

Freehold land (€625,000) which is not depreciated is included in land and buildings.

Ranbaxy Ireland Limited

Notes (continued)

7 Tangible fixed assets	Freehold land and buildings INR (Mn)	Plant and machinery INR (Mn)	CIP INR (Mn)	Total INR (Mn)
<i>Cost or valuation</i>				
At beginning of period	317.504	791.423	20.838	1,129.765
Additions in period	-	60.469	8.080	68.549
Disposals in period	-	(82.683)	-	(82.683)
Transfers	-	20.838	(20.838)	-
At end of period	317.504	790.047	8.080	1,115.631
<i>Depreciation</i>				
At beginning of period	-	486.612	-	486.612
Charge for period	7.079	54.238	-	61.316
Eliminated on disposals	-	(78.245)	-	(78.245)
At end of period	7.079	462.605	-	469.683
<i>Net book value</i>				
At 31 March 2014	310.425	327.442	8.080	645.948
At 31 December 2012	280.033	268.838	18.378	567.25

Freehold land (Rs(Mn) 51.350) which is not depreciated is included in land and buildings.

Ranbaxy Ireland Limited

Notes (continued)

8	Stocks	31 March 2014 €	31 December 2012 €
	Raw materials and consumables	3,604,356	2,319,618
	Work in progress	712,046	244,454
	Finished goods	1,836,169	1,367,184
		<u>6,152,571</u>	<u>3,931,256</u>

There are no material differences between the replacement cost of stock and the balance sheet amounts.

9	Debtors	31 March 2014 €	31 December 2012 €
	<i>Amounts falling due within one year</i>		
	Trade debtors	5,603,485	4,317,615
	Amounts owed by group undertakings	3,700,247	5,135,527
	Prepayments and accrued income	239,746	367,873
		<u>9,543,478</u>	<u>9,821,015</u>

Amounts owed by group undertakings are payable on demand, unsecured and interest free.

10	Creditors: amounts falling due within one year	31 March 2014 €	31 December 2012 €
	Bank overdraft	-	1,883
	Trade creditors	1,145,609	497,473
	Other creditors	957,028	391,118
	Amounts owed to group undertakings	3,934,065	7,815,191
	Accruals	1,358,586	1,274,749
	Corporation tax payable	288,575	117,555
	PAYE/PRSI	112,119	130,228
		<u>7,795,982</u>	<u>10,228,197</u>

Amounts owed to group undertakings are payable on demand, unsecured and interest free.

Ranbaxy Ireland Limited

Notes (continued)

8	Stocks	31 March 2014 INR (Mn)	31 December 2012 INR (Mn)
	Raw materials and consumables	296.134	168.088
	Work in progress	58.502	17.714
	Finished goods	150.860	99.071
		505.496	284.874

There are no material differences between the replacement cost of stock and the balance sheet amounts.

9	Debtors	31 March 2014 INR (Mn)	31 December 2012 INR (Mn)
	<i>Amounts falling due within one year</i>		
	Trade debtors	460.382	312.871
	Amounts owed by group undertakings	304.012	372.140
	Prepayments and accrued income	19.698	26.657
		784.092	711.668

Amounts owed by group undertakings are payable on demand, unsecured and interest free.

10	Creditors: amounts falling due within one year	31 March 2014 INR (Mn)	31 December 2012 INR (Mn)
	Bank overdraft	-	0.136
	Trade creditors	94.123	36.049
	Other creditors	78.629	28.3642
	Amounts owed to group undertakings	323.223	566.318
	Accruals	111.621	92.373
	Corporation tax payable	23.709	8.518
	PAYE/PRSI	9.212	9.437
		640.517	741.174

Amounts owed to group undertakings are payable on demand, unsecured and interest free.

Ranbaxy Ireland Limited

Notes (continued)

11	Creditors: amounts falling due after one year	31 March 2014 €	31 December 2012 €
	Government grants deferred (note 13)	382,016	405,776
		<u><u> </u></u>	<u><u> </u></u>

12 Pension information

The Company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge for the year is €49,598 (2012: €33,985).

Contributions amounting to €1,512 (2012: €Nil) were payable to the scheme and are included in creditors.

13	Government grants deferred	31 March 2014 €	31 December 2012 €
	At beginning of year	405,776	424,789
	Amortised in year	(23,760)	(19,013)
	At end of year	382,016	405,776
		<u><u> </u></u>	<u><u> </u></u>

14	Provisions for liabilities – deferred taxation	31 March 2014 €	31 December 2012 €
	At beginning of year	302,785	280,081
	Movement during year	(9,553)	22,704
	At end of year	293,232	302,785
		<u><u> </u></u>	<u><u> </u></u>

The deferred tax liability above principally relates to timing differences between the accounting and tax basis for property, plant and equipment.

15	Called up share capital	31 March 2014 €	31 December 2012 €
	<i>Authorised</i>		
	10,000,000 ordinary shares of €1.26 each	12,600,000	12,600,000
		<u><u> </u></u>	<u><u> </u></u>
	<i>Allotted, called up and fully paid equity</i>		
	5,644,020 ordinary shares of €1.26 each	7,111,465	7,111,465

Ranbaxy Ireland Limited

Notes (continued)

11	Creditors: amounts falling due after one year	31 March 2014 INR (Mn)	31 December 2012 INR (Mn)
	Government grants deferred (note 13)	31.386	29.404
		<u><u> </u></u>	<u><u> </u></u>

12 Pension information

The Company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge for the year is INR 4.197 (2012: INR 2.328).

Contributions amounting to INR 0.128 (2012: €Nil) were payable to the scheme and are included in creditors.

13	Government grants deferred	31 March 2014 INR (Mn)	31 December 2012 INR (Mn)
	At beginning of year	33.397	34.699
	Amortised in year	(2.011)	(1.302)
	At end of year	<u><u>31.386</u></u>	<u><u>33.397</u></u>

14	Provisions for liabilities – deferred taxation	31 March 2014 INR (Mn)	31 December 2012 INR (Mn)
	At beginning of year	24.900	23.344
	Movement during year	(0.808)	1.556
	At end of year	<u><u>24.092</u></u>	<u><u>24.900</u></u>

The deferred tax liability above principally relates to timing differences between the accounting and tax basis for property, plant and equipment.

15	Called up share capital	31 March 2014 INR (Mn)	31 December 2012 INR (Mn)
	<i>Authorised</i>		
	10,000,000 ordinary shares of €1.26 each	1,035.216	913.043
		<u><u> </u></u>	<u><u> </u></u>
	<i>Allotted, called up and fully paid equity</i>		
	5,644,020 ordinary shares of €1.26 each	611.637	515.324
		<u><u> </u></u>	<u><u> </u></u>

Ranbaxy Ireland Limited

Notes (continued)

16 Reserves	Revaluation reserve	Profit and loss account	Capital redemption reserve	Total
	€	€	€	€
At beginning of period	1,294,853	6,984,308	54,964	8,334,125
Profit for the period	-	5,775,716	-	5,775,716
Dividend paid	-	(4,000,000)	-	(4,000,000)
At end of period	1,294,853	8,760,024	54,964	10,109,841

The re-nominalisation of the company's share capital from ordinary shares of €1.269738 each to €1.26 each, on 31 December 2001, resulted in a transfer of €54,964 from share capital to the capital redemption reserve fund.

17 Reconciliation of movements in shareholders' funds	31 March 2014	31 December 2012
	€	€
Opening shareholders' funds	15,445,590	13,631,695
Profit for the financial period	5,775,716	1,993,514
Dividend paid	(4,000,000)	-
Revaluation loss	-	(179,619)
Closing shareholders' funds	17,221,306	15,445,590

18 Capital commitments	31 March 2014	31 December 2012
	€	€
Future capital expenditure approved by the directors but not provided for in these financial statements is as follows:		
Contracted	115,304	279,630

19 Contingent liabilities

There are no contingencies at the balance sheet date that required provision or disclosure by the company.

Ranbaxy Ireland Limited

Notes (continued)

Reserves	Revaluation reserve	Profit and loss account	Capital redemption reserve	Total
	INR (Mn)	INR (Mn)	INR (Mn)	INR (Mn)
At beginning of period	106.385	559.622	4.516	670.523
Profit for the period	-	488.742	-	488.742
Dividend paid	-	(328.640)	-	(328.640)
At end of period	<u>106.385</u>	<u>719.724</u>	<u>4.516</u>	<u>830.625</u>

The re-nominalisation of the company's share capital from ordinary shares of INR 104.32 each to INR 103.52 each, on 31 December 2001, resulted in a transfer of INR (Mn) 4.516 from share capital to the capital redemption reserve fund.

17 Reconciliation of movements in shareholders' funds	31 March 2014 INR (Mn)	31 December 2012 INR (Mn)
Opening shareholders' funds	1,254.802	1,131.276
Profit for the financial period	488.741	136.542
Dividend paid	(328.640)	-
Revaluation loss	-	(13.016)
Closing shareholders' funds	<u>1,414.903</u>	<u>1,254.802</u>

18 Capital commitments	31 March 2014 INR (Mn)	31 December 2012 INR (Mn)
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Future capital expenditure approved by the directors but not provided for in these financial statements is as follows:

Contracted	<u>9.473</u>	<u>20.263</u>
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19 Contingent liabilities

There are no contingencies at the balance sheet date that required provision or disclosure by the company.

Ranbaxy Ireland Limited

Notes (continued)

20 Related party transactions

The company has availed of the exemption in FRS 8 - Related Party disclosures from the requirement to disclose details of transactions with fellow group undertakings. Other than transactions with related group undertakings there are no related party transactions requiring disclosure.

21 Ultimate parent undertaking

The company is a wholly owned subsidiary of Ranbaxy (Netherlands) BV a company registered in the Netherlands, whose ultimate parent company is Ranbaxy Laboratories Limited based in A-41, Industrial Area Phase VIII-A, Sahibzada Ajit Singh Nagar, Mohali-160 071, India. On the 20th October 2008, Ranbaxy Laboratories Limited became a subsidiary of Daiichi Sankyo Limited, Japan.

The largest group in which the results of the company are consolidated is that headed by Daiichi Sankyo Limited, Japan. The consolidated financial statements of Daiichi Sankyo Limited are available to the public and may be obtained from www.daiichisankyo.com. The smallest group in which the results of the company are consolidated is that headed by Ranbaxy Laboratories Limited. The consolidated financial statements of Ranbaxy Laboratories Limited are available to the public and may be obtained from www.ranbaxy.com.

22 Reconciliation of operating profit to net cash inflow from operating activities	Period ended	Year ended
	31 March 2014 €	31 December 2012 €
Operating profit	6,545,831	2,234,552
Depreciation of tangible fixed assets	746,304	519,388
Loss on disposal of tangible fixed assets	18,068	1,471
Increase in stocks	(2,221,315)	(1,849,227)
Decrease/ (increase) in operating debtors	277,537	(2,944,348)
(Decrease)/ increase in operating creditors	(2,681,025)	5,958,347
Government grants released	(23,760)	(19,013)
Net cash inflow from operating activities	2,661,640	3,901,170

Ranbaxy Ireland Limited

Notes (continued)

20 Related party transactions

The company has availed of the exemption in FRS 8 - Related Party disclosures from the requirement to disclose details of transactions with fellow group undertakings. Other than transactions with related group undertakings there are no related party transactions requiring disclosure.

21 Ultimate parent undertaking

The company is a wholly owned subsidiary of Ranbaxy (Netherlands) BV a company registered in the Netherlands, whose ultimate parent company is Ranbaxy Laboratories Limited based in A-41, Industrial Area Phase VIII-A, Sahibzada Ajit Singh Nagar, Mohali-160 071, India. On the 20th October 2008, Ranbaxy Laboratories Limited became a subsidiary of Daiichi Sankyo Limited, Japan.

The largest group in which the results of the company are consolidated is that headed by Daiichi Sankyo Limited, Japan. The consolidated financial statements of Daiichi Sankyo Limited are available to the public and may be obtained from www.daiichisankyo.com. The smallest group in which the results of the company are consolidated is that headed by Ranbaxy Laboratories Limited. The consolidated financial statements of Ranbaxy Laboratories Limited are available to the public and may be obtained from www.ranbaxy.com.

22 Reconciliation of operating profit to net cash inflow from operating activities	Period ended	Year ended
	31 March 2014 INR (Mn)	31 December 2012 INR (Mn)
Operating profit	537.805	161.924
Depreciation of tangible fixed assets	61.316	37.637
Loss on disposal of tangible fixed assets	1.484	0.107
Increase in stocks	(182.503)	(134.002)
Decrease/ (increase) in operating debtors	22.802	(213.359)
(Decrease)/ increase in operating creditors	(220.273)	431.764
Government grants released	(1.952)	(1.378)
Net cash inflow from operating activities	218.680	282.693

Ranbaxy Ireland Limited

Notes *(continued)*

23 Analysis of changes in net funds

	At 31 December 2012	Cashflow	At 31 March 2014
Cash at bank and in hand	4,802,033	(2,667,609)	2,134,424
Bank overdraft (note 10)	(1,883)	1,883	-
	<hr/>	<hr/>	<hr/>
	4,800,150	(2,665,726)	2,134,424
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

24 Approval of financial statements

The directors approved the financial statements on

Ranbaxy Ireland Limited

Notes (continued)

23 Analysis of changes in net funds

	At 31 December 2012	Cashflow	At 31 March 2014
Cash at bank and in hand	394.535	(219.171)	175.364
Bank overdraft (note 10)	(0.155)	0.155	-
	<hr/>	<hr/>	<hr/>
	394.380	(219.016)	175.364
	<hr/>	<hr/>	<hr/>

24 Approval of financial statements

The directors approved the financial statements on 17th April 2014.

Note : Conversion rate used against Indian Rupees for the year 2014 and 2012 are:

- i) Items relating to Profit and Loss account at Average rate: 1 Euro= 0.0126 [2012: 1 Euro =0.0146]
- ii) Items relating to Balance sheet at Closing rate: 1 Euro = 0.0122 [2012: 1 Euro=0.0138]

